

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

August 26, 2005

John Holfert Utah Minerals & Fossil, Inc. 84 East 1100 North Bountiful, Utah 84010

Subject: Second Notice - Delinquent Permit Fees - Further Mining is Suspended

Dear Mr. Holfert:

The Division has not received the annual permit fee payment(s) for the 2005 fiscal year, which were due on or before July 29, 2005 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees is a violation of the Minerals Regulatory Program and suspends an operator's authorization to conduct exploration or mining operations. **YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED.** Permit fees are required until the site has been fully released in writing by the Division.

We have enclosed a "Delinquency Notice" billing statement along with this letter. Please return the bottom portion of your billing statement to ensure the payment is posted to the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

The Division will allow you until September 9, 2005 to pay the delinquent permit fees before issuing a Notice of Violation for non-payment, which will carry a fine and penalty. Continuing mining activities before the fee is paid will result in a Cessation Order which carries a separate fine and penalty. Please be advised that fines and penalties are assessed for each separate violation.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by September 9, 2005; 2) check the box, if the site is fully reclaimed and revegetated, thereby requesting a site inspection to close the file; or 3) contact me immediately at (801) 538-5358 or Joelle Burns at (801) 538-5291.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

SMW:jb

Enclosure: Delinquency Notice

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Division Director

State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

UTAH MINERALS AND FOSSIL INC 84 EAST 1100 NORTH BOUNTIFUL UT 84010

ATTENTION: JOHN HOLFERT

DELINQUENCY NOTICE	Annual Permit Fees (July 2004 thru June 2005)			
PROJECT NAME	PROJECT ID	ACRES	BILLING DATE	
RB 1&2	S230062	NA	06/28/2005	
PERMIT TYPE	PROJECT STATUS		ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	ACTIVE		\$ 150	

DUE DATE	AMOUNT DUE
09/09/2005	\$ 150

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

UTAH MINERALS AND FOSSIL INC PROJECT NAME RB 182		PROJECT NAME		PROJECT ID	
		RB 1&2		\$230062	
DUE DATE 09/09/2005	ANNUAL FEE \$ 150	AMOUNT DUE	FEE NOT ENCLOSED Permittee requests an inspection to close	Change of Address Contact	
TA	X ID OR SOCIAL SE	CURITY#	out this permit.	Address	
DIVISION OF OIL GAS AND MINING 1594 WEST NORTH TEMPLE SUITE 1210 PO BOX 145801 SALT LAKE CITY UT 84114-5801		E-mail address			

Please make check payable to:
Division of Oil, Gas and Mining